GOVERNMENT OF INDIA
URBAN EMPLOYMENT AND POVERTY ALLEVIATION
LOK SABHA

UNSTARRED QUESTION NO:1748
ANSWERED ON:15.03.2005
URBAN REFORMS INCENTIVE FUND
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Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

(a) the salient features of Urban Reforms Incentive Fund (URIF) related to incentives for urban reforms in the States;

(b) the number of States signed Memorandum of Agreement with regard to the above along with the details of the current progress report in this regard;

(c) the details of the position of funds allocated to the States under ihe above scheme during the last threeyears:

(d) the number of cities throughout the country and the State-wise number of cities identified for the scheme; and

(e) the details of the other schemes meant for the upliftment and development of the urban areas including that of Rajasthan?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION (KUMARI SELJA):

(a) Urban Reforms Incentive Fund (URIF} was approved on 28.6.2003 with an outlay of Rs.500 crore per annum as Additional Central Assistance (ACA) to States during the 10th Five Year Plan. Ministry of Finance releases funds under this scheme on the recommendation of this Ministry. The assistance under URIF is 100% grant to States to carry out the agreed reforms. Initially seven reform areas have been identified viz.
(i) Repeal of Urban Land Ceiling and Regulation Act at the State ievel by Resolution,
(ii) Rationalisation of stamp duty in phases to bring it down to no more than 5% by the end of the Tenth Plan period, (till) Reform of Rent Control Laws to remove rent control so as to stimulate private investment in rental housing
(iv) introduction of computerized process of registration
(v) Reform of property tax so that it may become a major source of revenue of urban local bodies and arrangements for its effective implementation so that collection efficiency reaches at least 85% by the end of 10th Plan period,
(vi) Levy of reasonable user charges by Urban Local bodies, with the objective that full cost of O&M (Operation and Maintenance) is collected by the end of 10th Plan Period,
(vii) Introduction of double entry system of accounting in urban local bodies. The State Governments are required to sign Memorandum of Agreement (MOA) to carry out reforms. 50% of the admissible grant is released after signing MOA whereas the remaining is released after assessment of the progress.

(b) 25 States/UTs have signed MOA so far. A sum of Rs.188.14 crore has been recommend for release as first instalment and Rs.47.25 crore recommended for 2nd instalment during 2003-2004,

(c) The scheme was approved on 28.6.2003. The allocation of funds to the States/UTs to the tune of Rs.500 crore per annum has been made by the Planning Commission on the basis of percentage of urban population in each State/UT with reference to the total urban population of the country.

(d) The scheme is State-wise, not city-wise.

(e) The other schemes under the Ministry of Urban Employment & Poverty Alleviation meant for upliftment and development of urban areas are Valmiki Ambedkar Awas Yojana (VAMBAY); National Slum Development Programme (NSDP); Swarna Jayanti Shahari Rozgar Yojana (SJSRY); Integrated Low Cost Sanitation Scheme (ILCS); National Scheme of Liberation and Rehabilitation of Scavengers (NSLRS); and Scheme of Night Shelters for Urban Shelterless.